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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1947.

GENERAL FINANCE LOAN COMPANY, a Corporation, and GENERAL FINANCE CORPORATION, a Corporation,
Petitioners,

vs.

GENERAL LOAN COMPANY, a Corporation,
Respondent.

No. 471

PETITION FOR WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the Eighth Circuit

and

BRIEF IN SUPPORT THEREOF.

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PETITION FOR WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the Eighth Circuit.

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Come now General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, and respectfully petition this Honorable Court to grant a writ of certiorari to review the opinion and judgment of the

United States Circuit Court of Appeals for the Eighth Circuit rendered and entered on the 7th day of October, 1947, in this case lately pending in said Court of Appeals, entitled General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, Defendants-Appellants, v. General Loan Company, a corporation, Plaintiff-Appellee, being cause No. 13,495 of civil causes on the docket of said Court of Appeals, affirming a judgment of the United States District Court for the Eastern Division of the Eastern Judicial District of Missouri, in said cause, against your petitioners, and in favor of the respondent herein.

OPINION OF THE COURT BELOW.

The opinion of the United States Circuit Court of Appeals for the Eighth Circuit in said cause of General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, Defendants-Appellants, v. General Loan Corporation, a corporation, Plaintiff-Appellee, which petitioners here seek to have reviewed, appears on pages 380 to 388, inclusive, of the printed transcript of the record filed herewith. Said opinion has not as yet been published.

SUMMARY STATEMENT OF THE MATTER INVOLVED.

This suit was instituted by respondent, General Loan Company, a corporation, against petitioners, General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, on the 21st day of September, 1945, in the United States District Court for the Eastern Division of the Eastern Judicial District of Missouri. This action sought an injunction against the petitioners' use of the word "General" in their respective names in the State of Missouri (R. p. 2). Relief was sought upon the grounds that:

1. The use of the name "General" by the petitioners is calculated by them to deceive, confuse and mislead the public.

2. The names of the petitioners and the respondent are so similar as to deceive, confuse or mislead the public.

3. The petitioners entered the State of Missouri under the name "General" with the intention and purpose of attempting to appropriate the good will and reputation of the respondent, and therefore engaged in unfair competition with the respondent.

4. The name "General," has had long and extensive use by the respondent, thereby acquiring a secondary meaning so identifying it with the respondent that the word has come to mean and is by the public understood to mean the respondent, as distinguished from other loan companies in the City of St. Louis, Missouri.

The case was tried on an agreed statement of facts (R. p. 20), which, by reference includes certain exhibits marked and identified as Joint Exhibits A, B1, B2, C, E, F, G, H and I (R. pp. 29-95). In addition to the agreed statement, evidence was introduced by both sides (R. p. 98).

In the agreed statement the parties stipulated as to the capacities of the respective litigants, the contents of their articles of incorporation, their licenses and the various dates of incorporation, addresses of the parties and other pertinent facts, as hereinafter stated. For the convenience of the Court we have reduced to chart form (see opposite this page) many of the formal and undisputed facts contained in this agreed statement, and elsewhere in the record.

In addition to the facts shown in the chart, it was stipulated that on May 4, 1945, the respondent, through its counsel, sent a letter to petitioner General Finance Corporation (Joint Exhibit G, R. p. 91) in which respondent requested that such petitioner discontinue the use of the name "General Finance Corporation." The petitioner General Finance Corporation replied by counsel to this letter on June 9, 1945 (Joint Exhibit H, R. p. 93), declining to change its name.

It was also stipulated (R. p. 28) that the petitioner General Finance Loan Company has been in business as a small loan company since the date of its incorporation on October 5, 1940, under its corporate name and that said name has been used continuously by that petitioner in the operation of its business, as follows:

In Illinois, since October 9, 1940.

In Wisconsin, since July 15, 1944.

In Ohio, since December 26, 1940.

In Michigan, since October 2, 1940.

In Indiana, since November 3, 1944.

The agreed statement also shows (R. p. 28) that respondent expended from the year 1928 to December, 1945,

Name	Address in St. Louis	Date Incorporated	State in Which Incorporated	Date Licensed in Mo.	Subsidiary of	Capital Invested	Nature of Business	Interest Charged	States in Which Licensed
General Loan Company	430 Paul Brown Bldg. and 512 Arcade Bldg.	6-15-27	Ind.	7-5-27	American Loan Co.	$ 166,000	Small loans	3% first $100 and 2½% to $300 (per month) (R. p. 206)	Mo. (R. p. 208)
General Finance Corporation	315 N. 7th St.	5-12-33	Mich.	2-18-44	Company is parent corporation (R. p. 347)	$22,000,000 (R. p. 349)	General loans and discounts	Not stated in record	Ill., Ind., Iowa, Mich., Mo., Ohio, Wis., Mass. (R. p. 345)
General Finance Loan Company	315 N. 7th St.	10-5-40	Del.	12-16-44	General Finance Corp. (R. p. 349)	Not stated in record	Small loans	1½% per month	Ill., Wis., Ohio, Ind., Mich., Mo.

Facts stated may be found in Agreed Statement (R. p. 20) or as indicated by reference to page in record.

the sum of $185,234.79 (averaging over $10,000.00 per year) in various forms of advertising; that no newspaper advertising was done by respondent in 1945 and 1946.

Seven witnesses in all were called by the respondent. The first of these was the witness Umphrey (R. p. 102), the respondent's president, who testified to the background of the respondent, the fact that it had three St. Louis offices at one time (until 1943) and that for the past nine or ten years the respondent made loans, on an annual average, to approximately fifteen thousand people (R. pp. 103, 109). Mediums of advertising used (not concurrently) were newspapers, radio, direct mail, street car, post-cards, telephone book, and city directory. Street car advertising has been used continuously since 1935. The use of radio was discontinued in December, 1942. This witness identified Respondent's Exhibits Nos. 1 through 23 (R. pp. 105 to 199) which are illustrative of advertising used by respondent. This witness also identified Respondent's Exhibit No. 24 (R. p. 203) which indicates the money loaned by respondent, and its capital and surplus through the years 1935-1945. The respondent spent, from January 1, 1928 through December 31, 1945, the sum of $185,023.79 on advertising (R. p. 201). The witness, who is in the St. Louis office for two to five days, twice a month (R. p. 207), is also vice-president and treasurer of the American Loan Company. He states that respondent was the only company using the name "General" when it came into Missouri and it had no knowledge that petitioners were coming into Missouri before they came in (R. p. 208). The respondent is fifth or sixth in volume of business compared with other small loan companies doing business in Missouri (R. p. 208). From the standpoint of the types of businesses the respondent and the petitioner General Finance Corporation are not competitors (R. p. 209).

Upon being recalled (R. p. 354) this witness testified that he protested to the Telephone Company about the situation described by Mr. Weber. The Telephone Company waived its listing charge for six months. The respondent operates in Illinois under the name Interstate Loan Company.

Respondent's witness Schulze (R. p. 211) has been acquainted with the General Loan Company for about twenty years. The Company was pretty well rated by quite a few employees in the railroad freight auditing department office where he was employed. He noticed in the newspaper about a year previous that the General Loan Company had new rates (of interest) and upon making a telephone call to the General Loan Company was informed that the advertisement in the newspaper was not theirs. This was talked about by everybody generally who was working around him.

The witness Hoffman (R. p. 215), manager of the Citizens Loan Corporation, and with eighteen years experience in the loan business, has known of the General Loan Company since 1927. He knew of no specific instance of confusion by reason of the use of the name "General." In the loan business the first name of the loan company and a code number is used in exchanging information between the companies who are members of the St. Louis Industrial Lenders Exchange. The petitioner, General Finance Loan Company, is not a member (R. p. 218). The interest rates of the petitioner, General Finance Loan Company, are less than those of the Citizens Loan Corporation and are also less than the rates generally charged by other members of the Lenders Exchange (R. p. 220).

The witness Stucke (R. p. 221) started to do business with the General Loan Company in 1935 and then did not do any further business until recently. At that time he

wanted to contact the General Loan Company and he looked in the classified telephone directory and saw a telephone number which he took to be the number of General Loan Company. He testified that he called that number and asked if that was "General" and the response was "Yes." He informed the person to whom he was talking that he wanted to apply for a loan and was asked if he had ever had an account with them before. He replied that he had when the Company was in the Victoria Building, to which the response was made that he had the wrong loan company. They said that they could handle his loan as well as the General Loan Company and would be glad to take care of him but he said he had done business with the General Loan Company and would like to continue to do so.

Respondent's witness Seaton (R. p. 222), manager of the Personal Finance Company for nine years, is acquainted with the General Loan Company. He was on the telephone talking on one occasion and had a card to give credit information, when he asked who was calling. The young lady speaking to him answered "General." To this the witness queried, "What General is this?" The response was, "General Finance and Loan Company." That is the only instance of confusion that he knew of (R. p. 224).

The witness Clift (R. p. 224) was the Director of Operations of the respondent. His office is in Indianapolis, Indiana, but he was manager of the St. Louis office of the respondent from 1927 until the end of 1942. The respondent used newspaper advertising quite extensively from 1927 and also used direct mail and house dodgers. In 1930 it began to cut down on newspaper advertising and used the radio. In 1934 it quit the newspapers and went into street car advertising, with radio and direct mail being used from time to time. Through these types of advertis-

ing it built up the company's name. He had known Mr. Shaw for about eight or nine years and during that time Mr. Shaw was connected with various loan companies, including petitioner General Finance Loan Company. He knew Mr. Shaw's handwriting and identified Plaintiff's Exhibit 25 (R. p. 237).

Witness Meyer (R. p. 235) was manager of the respondent's Arcade Building office for a year and a half, ending December 15, 1945. He identified Plaintiff's Exhibits 25, 26 and 27 (R. p. 237) and recalls seeing them in the office. A woman by the name of Lucille Sacco and her husband had an account with respondent when her husband was in service. She had a payment book showing the name and address of respondent, but she sent two payments (out of twelve) addressed, "General Loan Company, 315 N. Seventh Street," which were delivered to the petitioner General Finance Loan Company and directed by its manager to the respondent.

Another time (R. p. 239) one Frank Kahre came into respondent's office with a circular from the petitioner General Finance Loan Company and asked the witness if they had another branch, to which witness responded that if they did have he imagined he would know of it.

Another time (R. p. 240) a woman came into the office and said that she wanted to reopen her account and that she had looked in the telephone book and had called General Finance, but was informed that she had the wrong Company.

Petitioners called three witnesses:

An employee of the Southwestern Bell Telephone Company (Elmer J. Weber, R. p. 289) testified that the petitioner General Finance Corporation called the Telephone Company's attention to an error made by it in the publish-

ing of its June, 1945, directory (Plaintiff's Exhibit 11, R. p. 169). The error consisted of printing one of the addresses of the respondent under the name of the petitioner General Finance Loan Company. The mistake was due to a printer's error in failing to remove a slug and had nothing to do with the composition or makeup. The information appeared correctly in two other places in the directory. In order to rectify the error the company gave the General Finance Company an extra telephone line while the directory was current. The regular charge was made for this additional line.

The district manager of the petitioner General Finance Loan Company, Homer F. Bruce (R. p. 304) had been in that position since November, 1944. This petitioner advertised in the St. Louis newspapers since it opened its St. Louis office in March, 1945. Advertisements would be run from three to seven days a week. Instructions were given by the witness to the employees to answer the telephone by saying, "General Finance." The principal source of the business of the petitioner General Finance Loan Company is renewal loans. That is to say, loans which are being renewed by a customer of the company. The General Finance Loan Company has advertised by direct mail, house to house distribution, newspapers, and electric signs. No street car or bus advertising or radio advertising has been used. The General Finance Corporation was in the same building with the respondent for about four or five months while waiting to get into its present quarters. He supervises the advertising to a degree and would not say that the word "General" was stressed or intended to be stressed in the advertising (R. p. 340). A lot of times a customer brings in a direct mail advertisement, or a house to house distribution ad, or a newspaper ad when he comes into the office for a loan.

The witness Ross (R. p. 343) is vice-president of the General Finance Corporation and executive vice-president

of the General Finance Loan Company. His office is in Chicago, but he visits St. Louis every sixty days or so.

Company advertising is composed in the advertising department at the home office. In 1941 the General Finance Corporation did $55,000,000.00 worth of business in discount loans and about $4,000,000.00 in small loans. When automobile production was discontinued in 1942 the Company began to finance and furnish resources for industry in general, including foods, ammunition, modern warfare and various other industries (R. p. 346). It is a parent company of three subsidiaries and it also has five industial divisions for various types of manufacturing (R. pp. 347, 348). The total business of petitioner General Finance Loan Company in 1945 was about $1,450,000.00. The approximate total volume of business done by General Finance Corporation in 1945 was in excess of $82,000,000.00 (R. p. 349). The name General Finance Loan Company was selected to be as near as possible to the parent company, yet to be sufficiently and distinctly different to be easily identified apart and separate from the General Finance Corporation" (R. p. 349). The word "General" has been used in classified newspaper advertising instead of setting out the entire company, principally because it is cheaper to use one word than many words especially in a head line. The General Finance Loan Company has not selected the word "General" as a symbol for its advertising nor as a symbol for its company (R. p. 350).

The trial of said cause in the District Court resulted in a judgment in favor of the respondent (plaintiff) on the 2nd day of August, 1946. The Court issued a permanent injunction against the petitioners (defendants) restraining them from the use by them of the word "General" in either of their names in the State of Missouri (R. p. 361). Thereafter, petitioners in due course appealed said cause to the Circuit Court of Appeals for the Eighth Circuit

where said appeal was perfected and the cause was, on the 2nd day of September, 1947, argued and submitted upon the oral arguments and printed briefs of counsel, and was taken under advisement by the Court of Appeals (R. p. 379). Thereafter, on the 7th day of October, 1947, said Court of Appeals filed an opinion in said cause, which said opinion was concurred in by the Honorable Judges Sanborn, Thomas and Johnsen. Said opinion is set forth in the record filed herewith (R. pp. 380 to 388). And on the said 7th day of October, 1947, said Court of Appeals entered judgment in the said cause in accordance with the above-mentioned opinion, affirming said judgment of the District Court in favor of the respondent and against the petitioners (R. p. 388).

Thereafter, on the 21st day of October, 1947, and within the time allowed therefor by the rules of the said Court of Appeals, petitioners duly filed in said cause in said Court of Appeals their petition for a rehearing of said cause (R. p. 389). And thereafter, on the 30th day of October, 1947, petitioners' said petition for rehearing of said cause was, by said Court of Appeals, denied, and on which day said judgment of the said Court of Appeals in said cause became final (R. p. 399).

The duly certified record, including all of the proceedings of said cause in said District Court and in said Court of Appeals is filed herewith under separate cover, together with the requisite number of copies thereof.

JURISDICTION.

The jurisdiction of this Court is based upon Section 240 of the Judicial Code, as amended by the Act of February 13, 1925, c. 229, Sec. 1, 43 Stat. 938, Title 28, U. S. C. A., Sec. 347, providing for review of this Court by certiorari of the decisions of the Circuit Court of Appeals. The

judgment of the United States Circuit Court of Appeals for the Eighth Circuit, here so to be reviewed, was entered on October 7, 1947 (R. p. 388). A petition for a rehearing was duly filed by these petitioners, appellants in said Circuit Court of Appeals, on October 21st, 1947, within the time provided by the rules of said Circuit Court of Appeals (R. p. 397). And said petition for rehearing was denied by said Circuit Court of Appeals on October 30, 1947 (R. p. 399).

QUESTIONS PRESENTED.

The questions presented by petitioners' petition herein for a writ of certiorari are:

(1) Whether the opinion of the United States Circuit Court of Appeals that the word "general" is not a word publici juris but is subject to being exclusively appropriated by the respondent, which is an important question of local law, has not been decided in a way which is probably in conflict with applicable local decisions.

(2) Whether the opinion of the United States Circuit Court of Appeals that a "secondary meaning" of a business name is sufficiently established by mere proof of the advertising of such name, which is an important question of local law, has not been decided in a way which is probably in conflict with applicable local decisions.

(3) Whether the opinion of the United States Circuit Court of Appeals that it is not incumbent upon the plaintiff, in a suit for a permanent injunction over the use of a name, to allege and prove actual confusion or deception, which is an important question of local law, has not been decided in a way which is probably in conflict with applicable local decisions.

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

(1) Because of the widespread use of the word "General" in the title of numerous companies and corporations in Missouri (where the injunction applies) the question of whether the word is one which is publici juris so that it cannot be appropriated for exclusive use has become a question of important local law. In the instant case it has been decided in a manner probably in conflict with applicable local decisions. There is no decision on the exact term in the State of Missouri. There are decisions holding that similar terms and descriptive words generally are not subject to appropriation. The opinion of the United States Circuit Court of Appeals in the present case is in direct conflict with said decisions and is not supported by any judicial opinion or pronouncement of any court of last resort in the State of Missouri.

(2) The opinion of the United States Circuit Court of Appeals on the question of "secondary meaning" is to the effect that a court may find the existence of a secondary meaning although such finding is not supported by evidence other than the fact of the advertising of such name by the party claiming such secondary meaning. The opinion totally ignores the Missouri doctrine that findings must be supported by substantial evidence and fails to distinguish between the attempt to establish a secondary meaning and the accomplishment of the intended result.

(3) The opinion of the United States Circuit Court of Appeals on the instant case is, in substance, that a permanent injunction may be based upon a mere showing that the names of the litigants are similar and that no allegation or proof of actual confusion or deception is necessary to support such permanent injunction. This holding raises

an important question of local law, not only with reference to cases involving similarity of names but in connection with the law on equitable relief by injunction generally. The opinion is in direct conflict with the law of Missouri on this subject matter and is not supported in any measure by any opinion or judicial determination of any court of last resort of the State of Missouri.

PRAYER.

Wherefore, petitioners pray that a writ of certiorari be issued by this Honorable Court, delivered to the United States Circuit Court of Appeals for the Eighth Circuit, to the end that said opinion and judgment of said Court of Appeals in said cause of General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, Defendants-Appellants, v. General Loan Company, a corporation, Plaintiff-Appellee, numbered 13,495, in said Court of Appeals, be reviewed by this Court as provided by law and that upon such review said judgment of said Court of Appeals be reversed and that petitioners have such other relief as this Court may deem appropriate.

Respectfully submitted,

MARK D. EAGLETON and
DONALD GUNN,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

OPINION OF THE COURT BELOW.

The opinion of the United States Circuit Court of Appeals for the Eighth Circuit in said cause of General Finance Loan Company, a corporation, and General Finance Corporation, a corporation, Defendants-Appellants, v. General Loan Corporation, a corporation, Plaintiff-Appellee, which petitioners here seek to have reviewed, appears on pages 380 to 388, inclusive, of the printed transcript of the record filed herewith. Said opinion has not as yet been published.

STATEMENT OF THE CASE.

The essential facts of the case are fully stated in petitioners' petition for a writ of certiorari herein, and in the interest of brevity are not repeated here. Reference will be made to such facts as may be necessary on the points involved in the course of the argument which follows.

SPECIFICATIONS OF ERROR TO BE URGED.

The United States Circuit Court of Appeals for the Eighth Circuit, in the opinion of that court in this cause, erred:

(1) In holding and deciding that under the law of Missouri the word "general" was not a word publici juris and that it could be appropriated for exclusive use by the respondent.

(2) In holding and deciding that under the law of Missouri evidence of the advertising of a trade name and the cost thereof are sufficient proof of the establishment of a "secondary meaning" for that name and will support a permanent injunction.

(3) In holding and deciding that under the law of Missouri a permanent injunction might be based upon a mere showing that the names of the litigants are similar and that no allegation or proof of actual confusion or deception is necessary to support such permanent injunction.

SUMMARY OF THE ARGUMENT.

1.

The ruling of the Court of Appeals on the question of whether the word "general" is a word publici juris clearly failed to follow the law of Missouri as expressed in the three cases on this subject which have been decided by courts of last resort in this jurisdiction. Instead, the opinion is directly contrary to all three of the decisions.

2.

The ruling of the Court of Appeals that secondary meaning is established under the law of Missouri by mere proof of the publicizing of a name is directly contrary to the local decisions on the subject matter and is erroneously based upon a case in which there was an admission by the parties of the establishment of a secondary meaning, and therefore is not demonstrative of the local law on this subject.

3.

The ruling of the Court of Appeals that a permanent injunction may be supported by mere evidence that confusion "may" result from the use of similar names is directly contrary to the applicable local decisions on the subject matter.

ARGUMENT.

1.

Words Publici Juris.

The court in its opinion recognized the rule in Missouri that "names which are descriptive terms of the business and generic in their nature are not capable of being appropriated by anyone." But the application of this rule was denied in the instant case by the mere statement that the word "general" does not belong to this class of words. In so holding it is apparent that the court totally ignored the law of Missouri and the ordinary and common meaning of the word "general," which is defined variously as follows:

Webster's New International Dictionary, page 899:

> "Pertaining to, affecting, applicable to, each and all of the members of a class, kind, or order; universal within the limits of the reference; not particular; * * *
>
> "Not restrained or limited to a precise import or application; not specific; not entering into details or minutiae; as a *general* expression; a *general* outline; a *general* invitation; a *general* resemblance.
>
> "Of or pertaining to a heterogeneous or miscellaneous group; broad; catholic; not special or specialized; as a *general* store or shop; a *general* practitioner."

In Vol. 18, Words and Phrases, Permanent Edition, page 104, many definitions of the word "general" are given, including the following:

> "Not specific, vague, indefinite."
> "Of or pertaining to the whole."
> "Common to many."
> "Common to the whole."

When these definitions are considered in the light of the names employed by both petitioners, it is apparent that

it describes their business as covering a general field in which **all** types and kinds of loans were offered to the **general** public. As recognized by the court, the law of Missouri is applicable to this question and is properly expressed in the cited case of **Furniture Hospital v. Dorfman, 172 Mo. App. 302, 166 S. W. 861.** In that case it was held, as indicated above, that *descriptive* terms cannot be appropriated. It is difficult to imagine a term more *descriptive* than the word "general" when considered in the light of the definitions given above. The court does not substantiate its conclusion that the word "general" is not a descriptive term by any law or citation of authority either in this jurisdiction or elsewhere. In so doing, it seems apparent that the court failed to follow the Furniture Hospital v. Dorfman case, and overlooked the persuasive decision of the United States Circuit Court of Appeals for the Seventh Circuit in the case of **General Industries Company v. 20 Wacker Drive Building, a corporation, 156 Fed. 2nd 474,** which held unequivocably that the plaintiff's name (General Industries Company) was "composed of generic words incapable of exclusive appropriation by the respondent. They are words publici juris." The opinion in the General Industries Company case is entirely consistent with and tantamount to the explanation of the Missouri Law as stated in the Furniture Hospital v. Dorfman case. It will be noted that under the definition above it is an accepted use of the word to so describe a "store or shop." Is it reasonable that the merchant who operates a "General Store" could so appropriate that term that no other "general store" would be allowed to so designate itself? It is clear that such a result would not only be unwarranted, unjustified and totally unfair, but would be contrary to the Missouri cases of:

Furniture Hospital v. Dorfman, 172 Mo. App. 302, 166 S. W. 861;

Sanders v. Utt, 16 Mo. App. 322;
Trask Fish Co. v. Wooster, 28 Mo. App. 408.

In the case of **Sanders v. Utt, 16 Mo. App. 322,** the court held that the plaintiff (a St. Louis dentist) could acquire no property right in the term "dental" as applied to his business. The court said:

> "Not so, however, with the word 'dental.' That is a generic term, descriptive of a kind of business, and is properly open to all who may choose to engage in such a pursuit. As well might one claim an exclusive property in the term 'dry goods,' or 'groceries,' or 'tailor's shop.' **The defendant had a clear right to the use of any apt generic expression which would indicate the nature of his occupation, * * *"** (16 Mo. App., l. c. 327). (Emphasis ours.)

Likewise, in the case of **Trask Fish Co. v. Wooster, 28 Mo. App. 408,** the court held unequivocally that the plaintiff could acquire no property right in the generic words "Selected Shore Mackerel," as they were "purely descriptive, and there can be no rational inhibition against their use by any one who may have occasion to describe for any purpose the articles indicated by them." Further, the court stated:

> "A trademark, to create a proprietary right, must be not a word or phrase **which has become the common property of all mankind in their use of language to identify the thing intended,** but must be a name or symbol arbitrarily chosen by the proprietor to distinguish his particular product or commodity from those of all other producers or dealers. By these means only can the commodity be exclusively associated, in the minds of the public, with the proprietor of the trademark" (28 Mo. App., l. c. 419). (Emphasis ours.)

In the later case of **Furniture Hospital v. Dorfman, 179 Mo. App. 302, 166 S. W. 861,** referred to by the Court of Appeals, the court reiterated the rule, as follows:

> "Of course this rule is qualified by the further rule that names **which are mere descriptive terms of the business and generic in their nature are not capable of being appropriated by any one.** Hence if the name sought to be protected and claimed to be infringed upon and unfairly used is one **which may be used by every one in an honestly descriptive and non-deceptive manner,** the Court may declare, as matter of law, that there can be no unfair competition in the use of such terms. For instance, no one could appropriate the name of 'Swedish Snuff Store,' or 'Felt Hat Store,' 'Law Book Store,' 'Divinity Book Store' or any such name as would simply notify the public that a **particular class of business** or merchandise was carried on or kept there." (179 M. A., l. c. 307, emphasis ours.)

It is apparent, then, that the Eighth Circuit Court of Appeals clearly did not follow the Missouri law in holding that the word *general* does not belong to the class of words spoken of by the court in the Furniture Hospital v. Dorfman case. Under that case it is clear that the word *general* **is descriptive of the businesses** petitioners are engaged in and is generic in its nature. There can be no doubt but that the Eighth Circuit Court of Appeals, in holding that "Clearly the word 'general' does not belong to this class of words," **substituted its own opinion** for that of the Kansas City Court of Appeals in the Furniture Hospital v. Dorfman case. **In so doing it decided the case in a manner entirely in conflict with applicable local decisions.**

2.

Secondary Meaning.

Under the Missouri law all judgments in law and in equity must be supported by substantial evidence. Permanent injunctions will not issue except upon proof of a satisfactory nature. It is a remedy which is to be applied

with the utmost caution, not as a matter of right, but within the sound discretion of the court. It is to be used sparingly and only in clear cases.

City of Harrisonville v. Dickey Manufacturing Company, 53 S. Ct. 602, 289 U. S. 334, 77 L. Ed. 1208;

Lenroot v. Interstate Bakeries Corporation (C. C. A. Mo.), 146 Fed. 2 325;

Godefroy Manufacturing Company v. Lady Lennox Company (Mo. App.), 134 S. W. 2 140;

Commission Row Club v. Lambert (Mo. App.), 161 S. W. 2 732;

Clevenger v. McAfee, 237 M. A. 1077, 170 S. W. 2 424;

Ewing v. Kansas City, 350 Mo. 1071, 169 S. W. 2 897.

But in the instant case the United States Circuit Court of Appeals failed to follow this rule. It did not use the writ sparingly or with caution. It ignored the failure of the plaintiff to uphold its burden of proof. The opinion holds that the name "General" had acquired a secondary meaning so that its use suggested to the public **only the respondent.** The sole basis of this ruling, as expressed in the opinion, seems to be merely that that respondent used the name "General" over a period of time and emphasized it in its advertising (R. p. 387). In so holding the court totally and completely overlooked the proven fact that the name "General" is used by one hundred and thirty companies in the City of St. Louis other than the respondent (R. p. 329). [This feature of the case was decided by the court upon the opinion in **Empire Trust Company v. Empire Finance Corporation (Mo. App.), 41 S. W. 2nd 847.** As we shall demonstrate, there is no similarity whatsoever between the case at bar and the cited case of the Empire Trust Co.] The widespread use of the word "general" as a name constitutes a clear and irrefutable answer to the doctrine of "secondary mean-

ing" as that doctrine has developed in Missouri. Indeed, the unrestrained use of the descriptive word "general" has clearly put it in the same category with words such as bank, trust, loan and similar titles which, under the law of Missouri, can no longer acquire a secondary meaning as to any particular firm or company.

Moreover, in applying the doctrine of secondary meaning to this case, the court clearly overlooked the fact that no evidence of any kind or character was introduced which would show the acquisition of such a secondary meaning, except that the respondent emphasized its name in its advertising. No one testified, nor was there documentary evidence that the people in and about St. Louis thought of the name "General" as designating only the respondent. It cannot be presumed that the mere advertising of that word accomplished such a result, and that is exactly what the court did in reaching its conclusion in this case. The ultimate result of the court's opinion, as presently written, is to extend the doctrine of secondary meaning to the point where a litigant need only show that he advertised the name, and he is not required to show that his advertising took effect or accomplished its intended result. Such a concept is diametrically opposed to the doctrine of secondary meaning, the very name of which doctrine suggests that there must be proof that the word actually means and produces in the mind of the hearer a phantasm of the user of that name. To say that such a result is accomplished merely because money is spent in advertising, is a rash and unjustified conclusion which will only lead to unwarranted and unfair litigation by which the wealthy advertiser may prevail against a prior user who has not spent an equivalent sum of money in publicizing his name. The doctrine of secondary meaning ought not go off on the question of the amount of money spent to sell it, but rather on the question of whether to the general public that particular word has come to mean

the person who claims the right to its exclusive use. There is no evidence to support such a conclusion in this case. Indeed, it is quite clear that with 130 companies using the same "dominant first word" (R. p. 387) in their names in this area no such result could have been accomplished. The court failed to refer, on this question, to one of the leading cases in Missouri, namely, the **Furniture Hospital v. Dorfman** case, supra, in which the Missouri doctrine is stated, as follows:

> "As to what will constitute unfair competition by the unlawful use of a non-exclusive tradename in its secondary meaning, no inflexible rule can be laid down. Each case, is, in a measure, a law unto itself. Unfair competition is always a question of fact. The question in every case is whether or not, as a matter of fact, the name adopted by defendant **had previously come to indicate plaintiff's business** and whether the public is likely to be deceived." (Emphasis ours.)

In addition to the foregoing we desire to point out that the court in reaching its decision on secondary meaning, based it almost entirely upon the case of Empire Trust Company v. Empire Corporation, supra, and totally ignored the later Missouri case of **National Bank in North Kansas City v. Bank of North Kansas City (Mo. App.), 172 S. W. 2nd 967,** which, in effect, overruled the Empire Trust Company, except as to cases where fraud and deception is shown and under which an entirely different result would be reached in the instant case. It is inconceivable that the court could have believed the Empire Trust Co. case to be an authority for its presently expressed views. **The Empire case was decided on a demurrer to the pleadings. There was no evidence heard and none to consider. The defendant admitted that the use of the name involved was "calculated to and will and does deceive or confuse the public." It was also admitted "that the public had come to know and in many instances to speak of plaintiff**

as 'the Empire.'" Indeed, in the Kansas City Bank case the Kansas City Court of Appeals, which also wrote the opinion in the Empire case, said of its earlier decision:

> "The court there was discussing the question of whether the petition stated a good cause of action, the trial court having overruled a general demurrer and the defendant refused to plead further, and judgment was entered in accordance with the prayer of the petition. On appeal this court held that the demurrer **admitted** all well pleaded facts, one of which **was 'that the public has been deceived or confused by the use of defendant's corporate name into the** belief that it is the same company as plaintiff.' **Of course, if that fact is admitted** or is proven by substantial evidence, then it would be proper for the court to permanently enjoin a defendant from pirating the corporate name of some corporation already in existence. **But in this case, that fact is not admitted,** but strenuously denied, and we hold the evidence does not justify the conclusion that persons using the care and caution that the public generally is capable of using would be deceived or confused by the names of these two banks." (Emphasis ours.)

How can a case containing an admission of the very facts sought to be proved in this case, be an authority for the proof of such facts? The Empire case is not the law of Missouri as it may apply to the case at bar. The Kansas City Bank case is the law of Missouri. Yet it was ignored by the court, while the Empire case was taken as the law. If this Court will but read both the Empire case and the Kansas City Bank case, it will very readily agree that the case at bar must be ruled upon under the law established in the latter and later case and that in deciding this case on the Empire case, the Court of Appeals decided it in a way which is in conflict with the applicable local decisions.

3.

Confusion.

In its opinion the Court of Appeals held that under the law of Missouri it was not necessary for the respondent to show actual confusion, but simply whether confusion was likely to result in the use of the similar corporate names of the parties. In so holding the court stated that it was sufficient for the respondent to show merely the similarity of names "with other facts and circumstances as to show that confusion may result" (R. p. 385). Nowhere in any Missouri case has any court said that it is sufficient to show "that confusion **may** result." The law has been stated to be as follows:

> "* * * if the corporate names are identical or so similar that persons **using due care and caution**, as the public are capable of using, would be deceived and misled by the similarity, then equity should grant relief * * *" (National Bank of North Kansas City v. Bank of North Kansas city [Mo. App.], 172 S. W. 2nd, l. c. 941). (Emphasis ours.)

There can therefore be no doubt but that the Court of Appeals ignored this case in holding that it was sufficient for the respondent to show only the similarity of names and other facts and circumstances showing "that confusion **may** result." But assuming that the court had in mind the proper Missouri rule, as stated above, this case has fallen far short of coming within that rule. The court must have overlooked the ruling in the National Bank case in which the evidence showed far more actual confusion than did the evidence in the present case and in which, notwithstanding such evidence, injunctive relief was denied. The effect of the ruling of the Court of Appeals in its present form is to hold that the use of similar names may be en-

joined **with nothing more as a factual basis than proof of the names themselves,** since, under the opinion, it is clear that the court could then conclude, on that evidence, "that confusion **may** result." We do not believe the Court intended to state such a far-reaching and drastic doctrine, but inadvertently overlooked **the "due care and caution" rule in Missouri.** The application of that rule must result in a different conclusion in the instant case where the evidence on confusion was that several persons made minor errors with no harm caused and no difficulty in correcting them.

Moreover, in deciding this case the court again cited opinions not properly authoritative for the views expressed. This is not a case such as the case of Mary Muffett, Inc. v. Smelansky (Mo. App.), 158 S. W. 168, **where confusion was admitted.** Suppositions or presumptions are not necessary or proper in this case. Here the parties had actually operated side by side in the same locality under the similar names, for a period of almost a year. **If there had been any substantial confusion during this long period it would seem that plaintiff could easily have established proof of it.** The proof is of a few rare instances of human error or mistake. This type of proof in and of itself conclusively establishes that there has been and will be no harmful confusion between the parties. The court should not and must not speculate in a case where the proof is before it. In so doing in the present case it has reached a totally wrong result, and one entirely contrary to the applicable local decisions.

For the reasons stated, we respectfully pray this Honorable Court to issue its Writ of Certiorari to the United States Circuit Court of Appeals for the Eighth Circuit, so as to prevent the errors contained in the opinion of said Court of Appeals from perpetuating themselves in the

channels of the local law on the subject matters contained therein.

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